

001	General Fund	\$ 93,021,333
441	Community Development Block Grant Fund	1,075,673
139	Gift Trust Fund	185,998
423	Integrated Waste Management Fund	452,962
412	Library Benefit Assessment District Fund	377,000
415	Local Law Enforcement Block Grant Fund	474,494
448	Multiple Sources Housing Fund	4,995,000
414	Supplemental Law Enforcement Services Fund	1,267,614
461	Transient Occupancy Tax Fund	203,811
552	Vehicle Maintenance and Operations Fund	860,000
520	Airport Capital Improvement Fund	3,513,000
526	Airport Revenue Bond Improvement Fund	50,531,000
527	Airport Renewal & Replacement Fund	5,384,000
529	Airport Passenger Facility Charge Fund	10,385,000
473	Civic Center Improvement Fund	8,500,000
397	Communications Construction & Conveyance Tax Fund	866,000
472	Library Bond Projects Fund	12,465,000
393	Library Construction & Conveyance Tax Fund	4,127,000
460	Interim City Facilities Improvements Fund	1,410,000
377	Council District 1 Construction & Conveyance Tax Fund	979,000
378	Council District 2 Construction & Conveyance Tax Fund	650,000
380	Council District 3 Construction & Conveyance Tax Fund	1,893,000
381	Council District 4 Construction & Conveyance Tax Fund	1,269,000
382	Council District 5 Construction & Conveyance Tax Fund	1,535,000
384	Council District 6 Construction & Conveyance Tax Fund	1,945,000

June 7, 2005

Subject: RECOMMENDED AMENDMENTS TO THE 2005-2006 PROPOSED OPERATING AND CAPITAL BUDGETS

Page 2

385	Council District 7 Construction & Conveyance Tax Fund	1,241,000
386	Council District 8 Construction & Conveyance Tax Fund	1,087,000
388	Council District 9 Construction & Conveyance Tax Fund	709,000
389	Council District 10 Construction & Conveyance Tax Fund	2,390,000
390	Central Fund	1,772,000
391	City-Wide Construction & Conveyance Tax Fund	6,250,000
131	Emma Prusch ParkFund	78,000
462	Lake Cunningham Fund	402,000
375	Park Trust Fund	1,507,000
398	Park Yards Fund	148,000
471	Park and Recreation Bond Projects Fund	14,938,000
392	Fire Construction & Conveyance Tax Fund	2,951,000
475	Neighborhood Security Act Bond Fund	13,656,000
450	Services for Redevelopment Capital Projects Fund	4,613,495
540	Sanitary Sewer Connection Fee Fund	1,600,000
545	Sewer Service & Use Charge Capital Improvement Fund	3,540,000
395	Service Yards Construction & Conveyance Tax Fund	1,053,000
469	Storm Sewer Capital Fund	420,000
429	Building & Structure Construction Tax Fund	7,611,000
465	Construction Excise Tax Fund	2,937,000
500	Water Utility Capital Fund	568,000
502	Major Facilities Fund	205,000
512	San José-Santa Clara Treatment Capital Fund	20,800,000
TOTAL		\$ 298,842,380

For each fund, the funding source recommended for the items is either an increase in the estimate for the fund's beginning fund balance or an increase in the estimate for revenue.

BACKGROUND

All appropriations automatically lapse at the end of each fiscal year, and all unspent funds become part of the following year's beginning fund balance. Therefore, without Council action to rebudget the appropriations, funds budgeted in 2004-2005 for various programs and projects would be unavailable to complete those projects during 2005-2006.

In addition, since the release of the 2005-2006 Proposed Operating and Capital Budgets on May 1, 2005, additional information has become available regarding various capital and operating programs that necessitate revisions to the amounts or timing of a number of operating and capital programs.

ANALYSIS

The amendments recommended for approval in this report primarily result from the following factors:

- Rebudget adjustments to allocate funding in the year the project expenditures are expected to occur. In most cases, funds are carried over from 2004-2005 to 2005-2006 to complete projects. In some cases, funding was rebudgeted to 2005-2006 as part of the Proposed Budget but was subsequently spent in 2004-2005. In these cases, downward adjustments to the 2005-2006 budget amounts are recommended.
- Appropriation adjustments needed for projects and activities that have been identified after the 2005-2006 Proposed Operating and Capital Budgets were released. Some examples include recent grant awards (State, VTA, and Open Space Authority grants to Parks, Recreation and Neighborhood Services for Learning Centers and trails); revisions to existing projects to reflect actions of various advisory boards (Workforce Investment Board actions for various workforce development activities); and a small number of new projects (including Wallenberg Dog Park and Albertson Parkway Trail) as well as the conversion of reserves in the Park Trust Fund into project appropriations for 2005-2006.
- Elimination of four positions to reflect actual funding available. In Library, the deletion of a position is recommended that was mistakenly included in the Community Development Block Grant Fund for 2005-2006. It was eliminated on an ongoing basis in 2004-2005. Three Custodians positions in General Services are also recommended to be deleted, as they will no longer be needed due to the final Interim Space Use Plan for Existing City Facilities decided upon and communicated to the City Council in a recent informational memorandum (May, 2005).
- Minor technical adjustments to certain project budgets associated with the implementation of a revised methodology for distributing Public Works administrative staff costs and for compensated absences. The change in methodology has been introduced in order to ensure Public Works costs are equitably distributed across projects, and should not result in any overall increase in costs to the Capital programs.
- Changes to various revenue estimates and project appropriations to reflect revised schedules, cost estimates, or Council priorities.

The specific revisions recommended in this memorandum are listed and discussed in more detail in Attachment A (General Fund), Attachment B (Special Funds) and Attachment C (Capital Funds).

/s/

LARRY D. LISENBEE

Budget Director